

June 19, 2012

Honorable Joan Buchanan

Chair, Assembly Special Committee on Governor's Reorganization Plan No. 2, Room 2148  
Sacramento, California 94249-0015

Re: Concerns Regarding the Governor's Reorganization Plan No. 2 and the Future of  
California's Beach Restoration Programs

Dear Chairperson Buchanan:

I am concerned about the Governor's Reorganization Plan No. 2 ("GRP"), which recommends that DBW be eliminated and that its functions be merged with the Department of Parks and Recreation ("State Parks"). I oppose the GRP's recommendation that the DBW be eliminated, but if the GRP were to be approved by the Legislature, there appear to be two gaps in the GRP's discussion of the proposal to eliminate the DBW and merge it with State Parks that, hopefully, the Assembly Special Committee on Governor's Reorganization Plan No. 2. ("Special Committee") could remedy (the same gap exists in the Special Committee's analysis of the GRP).

The problematic phrase in the GRP and the committee's staff analysis is as follows: "GRP 2 maintains the current requirement that boating fees are reserved for boating activities." First, this phrase fails to mention anything about DBW's beach maintenance programs: the Beach Erosion Control Program (1970) ("the BECP") and the Public Beach Restoration Program (AB 64 – 1999 Ducheny/CalCoast) ("the PBRP"). Both of these programs rely on dedicated funds from the Harbors and Watercraft Revolving Fund ("HWRF"). Second, this phrase refers to "boating fees," but it does not mention the HWRF. By not expressly mentioning the HWRF, the GRP as currently written could create confusion about which programs will continue to be funded by the HWRF, including the BECP and the PBRP. The PBRP has funded numerous beach erosion and sediment management studies as well as several beach restoration projects either on its own or with the U.S. Army Corps of Engineers.

Our state relies on healthy beaches for tourism, recreation for residents and habitat for flora and fauna, including endangered species. Beach tourism generates \$14 billion in economic activity in the state (King 1999). In addition, beach restoration projects are a cost-effective response to predicted sea-level rise (Flick and Ewing 2009). However, urbanization of the coastal zone up into the headlands has drastically reduced the natural flow of sand to the shoreline. Other human activities, such as sand mining, sediment basins, flood control projects and reservoirs have blocked sediment from renourishing our beaches. The construction of jetties, ports, marinas and breakwaters interfere with sand transport up and down the coast.

Over the years, DBW has spent an average of \$4 million on beach restoration studies and projects up and down California's coast. HWRF monies spent on beach studies and projects have leveraged more than \$40 million in federal funds from the U.S. Army Corps of Engineers ("USACE") and matching funds from cities, counties and regional government entities. In addition, since 2000, the HWRF has provided the state's matching funds for a unique state/federal collaboration known as the "California Coastal Sediment Management Workgroup ("CSMW"). Several years ago, the CSMW published the California Coastal Sediment Master Plan ("Master Plan"), which studied ways to increase natural sediment supply to the state's coastline. The Master Plan was also the foundation for Regional Sediment Master Plans ("RSMs") from Eureka to San Diego. The state's RSMs rely on funding from the HWRF to implement beach restoration studies and projects.

As stated above, I am concerned about the future of the DBW and the PBRP, the BECP, the CSMW and the state's RSMs if the DBW is eliminated and made a division of State Parks as called for in the GRP. To protect the PBRP and its access to the HWRF, I request that the Special Committee propose statutory language for legislation that would be required to pass before the GRP is approved by the Legislature and signed into law. To protect the BECP, some sections of the Harbors and Navigation Code (65-67.4) will need to be amended. To protect the PBRP, some sections of the Harbors and Navigation Code (69.5-69.9) will need to be amended.

DBW has estimated that California needs to invest \$120 million in one-time beach nourishment costs and \$27 million for annual beach maintenance (California Beach Restoration Study 2002). Through cost-sharing partnerships with the USACE, federal funding could reduce the state's investment to \$42 million and \$13.5 million, respectively. The state is at a critical stage in its effort to manage sediment and restore public beaches, so DBW's beach restoration programs need continued access to the HWRF if the GRP becomes law. Consequently, I respectfully request that the Special Committee do whatever is necessary to prevent the DBW from being eliminated, or if DBW is merged with State Parks, that the DBW beach maintenance programs continue to be funded through the HWRF.

Sincerely,  
Everest International Consultants, Inc.

A handwritten signature in black ink, reading "David G. Cannon". The signature is written in a cursive, flowing style.

David G. Cannon, MCE, PE  
President/Principal Engineer